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September 11, 2006

ADDENDUM 4
TO
REQUEST FOR PROPOSALS
No. 07-001

TO FURNISH HEALTH AND LIFE INSURANCE BENEFIT PLANS AND/OR
ADMINISTRATIVE SERVICES FOR ACTIVE EMPLOYEES AND RETIREES

EUTF's Amended Response to Written Questions
(Corrections in Ramseyer Format)

Section One
Administrative Overview

7. Q: Page 8, 1.09. Since the consultant is in California, clarifying whether their copies of the proposal need to be postmarked or received by September 19, 2006.

A: The copies of the proposal to be sent to Garner Consulting should be postmarked by September 19, 2006. Determination of timely submission will be based on receipt at the issuing office as stated in the RFP.

~~[Section 1.13 Offerors should fill in the forms, worksheets, and questionnaires in the RFP to the maximum extent possible. Offerors will not be disqualified for not filling in those parts of the forms, worksheets, and questionnaires that do not apply to the types of plans or services they are proposing to offer.]~~

Q: Page 9, 1.13. Should our "alternate" proposal be accepted, permission to deviate from using any forms/worksheets provided in RFP that do not apply to our plans. We will be able to address a portion of the questions as outlined in Appendix C and provide requested illustrations and documentation.

A: Offerors should fill in the forms, worksheets, and questionnaires in the RFP to the maximum extent possible. Offerors will not be disqualified for not filling in those parts of the forms, worksheets, and questionnaires that do not apply to the types of plans or services they are proposing to offer.

Section Three Scope of Work

37. Q: Section 3, page 31, paragraph 19. This requires that “Accounting will be separate for active and retirees: the surplus of one group will not be used to offset the deficit of the other.” Is the experience for the EUTF’s current life insurance contract by active employees and retirees, or combined? Is the EUTF requiring that the experience be separated by active employees and retirees in the life insurance contract?

A: Experience under the current contract is not combined. Yes, the EUTF requires that the experience be separated by active employees and retirees [~~and retirees~~] and a surplus in one group cannot be used to offset a deficit in the other.

Section Four Proposal Evaluation and Evaluation Criteria

Q: Page 39, 4.04. Request permission for the Evaluation Committee to allow [name omitted] to submit an “alternate” proposal as part of their priority list for different categories and types of proposed health and other benefit plans.

A: The RFP permits offerors to submit alternative types of health benefits plans and services. The Evaluation Committee will decide: (1) whether to separately evaluate and create separate priority lists for different categories of health benefits plans and services; and (2) how to categorize the proposals that are submitted in response to the RFP. Also, see response to Q. 123.

Appendix C Questions for Offerors

59. Q: Appendix C, page 30, Q 41. Please confirm that disclosure of all manufacturer contracts is a requirement. If it is a requirement, can disclosure be via an audit?

A: Disclosure of all contracts is not a requirement.[5] However, whether and when such disclosures will be made by the offeror may be considered by the Evaluation Committee in evaluating the offeror’s proposal.

QUESTIONS WITH NO REFERENCE

104. Q: Medical: Please provide large medical claims data.

A: [~~This information has been posted to the web site.~~] This information is not available.

125. Q: Can you please clarify EUTF’s intent with regard to the Medicare eligible retirees? Please identify which option below is your course of action for the coming year:

A. Retiree Drug Subsidy (RDS)

- B. Direct Waiver PDP – Employer becomes a PDP for its own retirees through a contract with the Centers for Medicare and Medicaid Services (CMS)
- C. Indirect Waiver PDP - Plan sponsors may forego the subsidy, and contract with a carrier to provide a PDP for their retirees.

[D.]

A: Presently, the employers (State and county) use the Retiree Drug Subsidy (RDS) option. For the contract period covered by this RFP, either the employers will continue with the RDS option, or EUTF will contract with a CMS approved plan. At this time, a final determination has not been made. The final decision will be influenced by the proposals received in response to this RFP.

132. Q: Please confirm[e] that the 2004 plan year ran from 7/1/2004 to 6/31/2005 and that the 2005 plan year ran from 7/1/2005 to 6/31/2006.

A: No, the 2004 plan year ended on June 30, 2004 and the 2005 plan year ended on June 30, 2005.

161. Q: How would a plan offer different tiering structures on favorable terms?

A: Plans which do not agree to offer different tiering structures, if required by collective bargaining, will lose points in the evaluation process. Paragraph 17 of Section 3.02 requires offerors to be prepared to offer three-tier or four-tier rates structures that generate equivalent premiums to the two-tier structure. The “equivalent premiums” assumes that there will be only one rate structure used for all the EUTF active employee health benefit plans. As indicated in Paragraph 17, the EUTF is anticipating that collective bargaining between the public employers and public sector unions will determine whether there will be one or more tiering structures for the EUTF active employee plans and what tiering structure or structures will be used. In order to provide information that may be needed for this process, the EUTF needs offerors to provide proposed rates for two, three, and four-tier rate structures, to advise whether different rate structures could be offered for different bargaining units, to advise whether offering one or more different rate structures will increase the EUTF’s overall premiums or costs, and to advise whether there are any other costs, constraints, limitations, issues or problems involved in offering one or more different rate structures.

175. Q: How many EUTF employees and dependents had HIPAA events in calendar year 2005?

A: We are not sure how the term “HIPAA events” is used in this question. The EUTF received no complaints of HIPAA violations in 2005. The EUTF does not keep track of the number of [~~HIPPA~~] HIPAA special enrollments.